

BUSINESS & LABOR

EXHIBIT NO. 7
DATE 1-27-09
BILL NO. SB 142

January 26, 2009

Senator Joe Balyeat, Chairman
Senate Business, Labor and Economic Affairs Committee
PO Box 200500
Helena, Montana 59620

Dear Senator Balyeat and the members of the Senate Business, Labor and Economic Affairs Committee

As a member of the Montana insurance community since December 1979, I oppose Senate Bill 142 and the repeal of non-gender insurance in Montana. Passage of this bill would adversely affect Montana citizens and my clients.

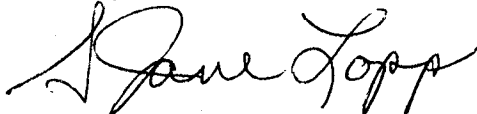
Whether it was intentional or unintentional, the primary impact of Senate Bill 142 is to eliminate mandatory maternity coverage from Montana health insurance policies. Pregnancy is one of the primary medical costs faced by Montana families. Maternity costs have risen significantly statewide with changes in medical procedures and fewer physicians and hospitals performing deliveries. To cover these costs Montana families will have to purchase expensive maternity benefit riders to their health insurance policies. Many can not afford the ongoing expense of this additional insurance coverage.

Insurance is intended to spread the risk across the insured population reducing the cost to each individual, but covering the cost to all members. Gender is not a necessary rating factor. Insurance companies often use gender as a substitute for rating specific risk factors like smoking, drinking or job hazard, associated with the gender of some insured's.

The insurance industry is thriving. Insurance companies are generating ever-increasing premiums. Montana's non-gender insurance statute has been in effect for more than 20 years and has **not** adversely impacted the Montana insurance industry. Elimination of this family-friendly benefit increases and shifts costs to taxpayers.

Passage of Senate Bill 142 will dramatically harm insured families in Montana. I strongly urge the committee to table this very bad bill.

Sincerely,



S. Jane Lopp, CLU, ChFC